

F.O.

484

W 38
1658

SAFE
23826
ROOM

CLOSED
UNTIL
1999

2

Printed for the use of the Foreign Office

CONFIDENTIAL

(17879)

FURTHER CORRESPONDENCE

RESPECTING

THE LEBANON

PART 2

January to December 1948

TABLE OF CONTENTS

No. and Name	Date	SUBJECT	Page
1 Mr. Houstoun-Boswall (Beirut) No. 25	1948 Feb. 25	Annual review of political events in the Lebanon for 1947 ...	3
2 Mr. Houstoun-Boswall No. 81	June 26	Christian-Moslem relations in the Lebanon ... Memorandum by Mr. Jupp regarding recent examples of antipathy between Christians and Moslems in the Lebanon and the danger of communal strife arising from such incidents	8
3 Mr. Houstoun-Boswall No. 83	June 30	Heads of foreign missions in the Lebanon ... Annual report	12
4 Mr. Houstoun-Boswall No. 95	July 30	Cabinet changes ... Rearrangement of the Lebanese Cabinet following the resignation of M. Camille Chamoun. Need for considerable strengthening of the administration	14
5 Mr. Dundas (Damascus) No. 116	Sept. 22	Syrian financial negotiations ... Review of negotiations with France and the Lebanon during the first eight months of 1948	16
6 Mr. Evans (Beirut) No. 115 E.	Oct. 21	Syrian-Lebanese financial and economic relations ... Progress of negotiations between the Syrian and Lebanese Governments regarding future economic and financial relations	19

SUBJECT INDEX

[The figures denote the serial numbers of documents]

ANNUAL REPORT ON THE HEADS OF FOREIGN MISSIONS IN THE LEBANON—3.	LEBANESE CABINET CHANGES— Rearrangement of the Lebanese Cabinet following the resignation of M. Camille Chamoun. The need for considerable strengthening of the administration—4.
ANNUAL REVIEW OF POLITICAL EVENTS IN THE LEBANON FOR 1947—1.	LEBANO-SYRIAN FINANCIAL RELATIONS— Review of negotiations with France and the Lebanon during the first eight months of 1948—5. Progress of negotiations between the Syrian and Lebanese Governments regarding future economic and financial relations—6.
CHRISTIAN-MOSLEM RELATIONS IN THE LEBANON— Memorandum by Mr. Jupp regarding recent examples of antipathy between Christians and Moslems in the Lebanon and the danger of communal strife arising from such incidents—2.	

Printed for the use of the Foreign Office

CONFIDENTIAL

FURTHER CORRESPONDENCE RESPECTING
THE LEBANON

PART 2.—JANUARY TO DECEMBER 1948

E. 2022/425/88

No. 1

LEBANON: ANNUAL REPORT FOR 1947

Mr. Houstoun-Boswall to Mr. Bevin. (Received 3rd March)

(No. 25. Secret) *Beirut,*
Sir, *25th February, 1948*

I have the honour to transmit to you herewith the summary of events in the Lebanon during the year 1947. I am indebted to Mr. T. E. Evans, first secretary at His Majesty's Legation, for this interesting and well-conceived survey of an eventful year. I submit the report is a fair sample of the qualities which Mr. Evans brings to his work.

I have, &c.

W. E. HOUSTOUN-BOSWALL.

Enclosure in No. 1

Summary of Events in the Lebanon during the year 1947

1947 was in many ways a test year for the Lebanon. It not only gave the country its first taste of complete independence (the evacuation of foreign forces was completed at the end of 1947) but it was also an election year when the Lebanese people went to the polls for the first time since 1943. This year also proved to be a decisive turning-point in the development of the Palestine problem and it was inevitable that the Lebanon as an immediate neighbour of Palestine and a member of the Arab League should be profoundly affected.

2. The internal political scene was for a great part of the year dominated by the elections, to which particular significance attached. They were described by the Prime Minister as "a plebiscite for the régime"; they were also important in

view of the fact that the new Chamber would be responsible in 1949 for the election of the President of the Republic. As one of the principal architects of the régime and (in spite of the constitution as it now stands) a candidate for the presidency in 1949, Sheikh Bishara el Khoury, the present incumbent, played an all-important part in the electoral campaign. His object was twofold: Firstly, the elimination of his old opponent, ex-President Emile Eddé, in which he was completely successful, and secondly, the weakening of potential rivals among his own supporters, particularly Camille Chamoun and Henri Pharaon, who at the time of the elections were both members of the Government. In this too he was successful, partly because Chamoun and Pharaon failed to join forces, and partly because they were at every turn out-manoeuvred by the President. Chamoun returned to the Lebanon after the completion of his mission as Minister in London with greatly enhanced prestige and made no secret of his ambition to succeed Sheikh Bishara el Khoury as President. He immediately joined forces with Kamal Jumblatt in attacking the Administration (which he accused of corruption) and, indirectly the President. He made the fatal mistake, however, of not enlisting adequate Moslem support. Pharaon avoided this pitfall and closely associated himself with ex-Prime Minister Abdul Hamid Karameh, but together they committed a tactical blunder when in an effort to cow Karameh's opponents in Tripoli they played up the Palestine "hero" Fawzi Qawajji who had recently returned from exile. As a result, serious incidents

occurred in Tripoli on 4th March, when fourteen lost their lives and many were injured. The President of the Republic, on the other hand, made a close alliance with the ablest of all Lebanese Moslem politicians, Riad Bey Solh, his Prime Minister.

3. Polling took place on 25th May and 1st June and the results were undoubtedly a triumph, not only for the régime as a whole but also for the President. Emile Eddé and all his supporters were unsuccessful. Pharaon and Chamoun retained their seats but returned to the Chamber shorn of many of their supporters. Pharaon's Moslem ally, Karameh, allowed himself to be completely out-manceuvred in North Lebanon and even declined to stand. Chamoun, after succeeding in excluding the President's brother from the official Constitutional Party list in Mount Lebanon, was unable to prevent him from forming a second list and from winning his seat. There is no doubt that the disunity in the ranks of the Constitutional Party was in no small measure responsible for the irregularities which marked the elections in Mount Lebanon and which led to the resignation of Jumblatt and the insistence of Chamoun on the establishment of a Committee of Enquiry. Protests against irregularities and Government pressure were also made in other parts of the Lebanon, particularly Beirut, and were given much publicity, but attempts by unsuccessful candidates and their supporters, including such heterogeneous elements as Mgr. Moubarak, the Maronite Archbishop of Mount Lebanon, the Communists, Emile Eddé's party, Karameh and various journalists (who were either candidates themselves or were closely associated with individual candidates), to force the Government to renew the elections were unsuccessful. As a whole, the elections were undoubtedly an unedifying spectacle: apart from irregularities and Government pressure the free use of money by prospective candidates—Government and Opposition alike—to buy off their opponents during the pre-electoral period created the worst impression, although it must in fairness be added that the inadequacy of the complicated Electoral Law based on the List system was to a great extent responsible. On the credit side it should be recorded that, although the campaign was tense, it was marred by little loss of life, extremist elements, including the Communists, were unsuccessful (it is

interesting to note that at the beginning of the electoral campaign the wearing of uniforms by such para-military organisations as the Phalangists was made illegal) and the régime at the critical juncture in the country's history was firmly re-established, thus ensuring a continuity of policy. Moreover, it is admitted even by the Opposition that 80 per cent. of the new Chamber would be re-elected if the elections were repeated.

4. Although the Government succeeded in quickly stabilising the situation, the post-electoral period was one of considerable difficulty. The Riad Solh Cabinet was reshuffled in June, when Chamoun retained a portfolio, but Pharaon, who felt keenly his weakened position, declined and was replaced as Minister for Foreign Affairs by Hamid Frangieh. Owing to the antagonism between Chamoun and the President, important administrative appointments could not be filled. Karameh, in order to strengthen the extra-parliamentary opposition, formed the National Liberation Party (which has not been accorded official recognition), the main plank of which was the dissolution of the Chamber, and in the Chamber itself Pharaon, albeit with little success, played an Opposition rôle. The situation was further complicated by differences between the Lebanese and Syrian Governments—the latter declined to sign the agreement with the Trans-Arabian Pipe-line Company, to the conclusion of which the Lebanese Government, who had already come to terms with the company, attached great importance—and it was not until late in August when the Syrian President visited the Lebanese President at his summer palace and the Syrian Government undertook to clinch matters with the American company that an improvement in the Government's position became discernible. Thus strengthened, the Government felt able to deal with firmness with the Opposition, who attempted to defy the authorities by holding an authorised public meeting at a Lebanese summer resort, and also with Mgr. Moubarak, who following this incident, issued a pamphlet inciting the population to civil disobedience and the armed forces to insubordination. As a result, the Opposition were prepared to compromise over a second mass meeting which it proposed to stage in Tripoli during September and which, but for this arrangement, might have resulted in incidents on an even more serious scale than those of February. Mgr. Moubarak's

position was further undermined by the publication (doubtless engineered by the Government) of a letter which he had been indiscreet enough to write to U.N.S.C.O.P. recommending the establishment of a Jewish Home in Palestine and a Christian Home in the Lebanon. Thus, in spite of economic difficulties (shortage of cereals owing to the bad harvest in Syria and a cut in petroleum products which resulted in strikes and demonstrations) the Government successfully pursued their policy of disrupting the Opposition. They later succeeded in staging a rapprochement between the President and Karameh (who admitted that in view of the gravity of the Palestine situation the time was not ripe for the dissolution of the Chamber) and meetings between the two took place in November. As for the Communists, their part in fomenting disturbances in the provincial capital Zahlé resulted in their being denounced by the Prime Minister in the Chamber. Their position was further weakened by Russian support of the United Nations proposals for partition of Palestine, and towards the end of the year it was known that the Lebanese Government had decided to take strong action against the party and its subsidiary organisations. Nor was the action of the Parliamentary Opposition any more successful, and attacks by Pharaon and Jumblatt merely left Riad Solh in a stronger position than ever.

5. The pre-eminence of Riad Solh among Moslem politicians (notwithstanding his relative weakness in the Chamber due in no small measure to the personal sacrifices to which he consented during the elections) and that of the President of the Republic among Christian leaders, and the close alliance between the two are, perhaps, the most outstanding developments in internal affairs during 1947. As a corollary, the total eclipse of Eddé, the estrangement between the President and Pharaon (his relative by marriage and close supporter in the past) and the out-manceuvring of Chamoun should also be noted.

6. In the field of foreign affairs, Anglo-Lebanese relations figure prominently, and, in spite of some uneasiness felt early in the year in certain circles in connexion with His Majesty's Government's attitude towards the Greater Syria scheme, they lost nothing of the cordiality which had marked them during the previous year. On the contrary, the end of 1947 found both the President and the Prime Minister

generally in favour of giving expression to Anglo-Lebanese friendship in the form of a treaty as part of an overall Anglo-Arab understanding. It is also noteworthy that during the last few weeks of December even the Lebanese press, which is known for its diversity and inconsistency, was probably better disposed to the policy of His Majesty's Government than at any time since British intervention following the French *coup d'état* of November 1943. On innumerable occasions during the year the cordiality of Anglo-Lebanese relations was clearly demonstrated—the arrival of Mr. Houston-Boswell to take up his post as His Majesty's Minister to the Lebanon (his appointment to the Lebanon only, as opposed to that of his predecessor who had been accredited to both Levant Governments, gave considerable satisfaction to the Lebanese), the regular visits of His Majesty's ships serving in the Palestine patrol, the visit of the aircraft-carrier H.M.S. *Ocean*, and the wedding of Her Royal Highness Princess Elizabeth. The representatives of the British firm of consulting engineers, Sir Alexander Gibb and Partners, who at the end of 1946 entered into a contract with the Lebanese Government for the survey of the economic possibilities of the country, arrived in March and were offered full co-operation by the Government. British Middle East Office experts have also visited the country, and both the statistical adviser and the forestry adviser were invited to return to assist the Government in the establishment of a statistical bureau and in dealing with afforestation problems respectively. Professor Robson of London University spent a month in the Lebanon studying and preparing a social insurance scheme. Prominent Lebanese have also visited the United Kingdom, among whom were Georges Bey Haimari, the Director-General both of the Ministry of Education and of the President's Cabinet, as a guest of the British Council, and the Emir Farid Chehab, chief of the C.I.D., to study British police methods. The agreement of the Lebanese Government for the visit of a survey party in connexion with the Middle East Pipe-line Company's project was readily accorded. Reference should also be made to the very favourable impression created by His Majesty's Government's support for the Lebanese application to the International Food Emergency Council for a 1948 cereals allocation and by the arrangements for the supply from

Australia of 27,000 tons of the 60,000 tons allocated. Notes were exchanged in February on the subject of the abolition of the Mixed Courts and of the application of their national law to British subjects in matters of personal status.

7. Anglo-Lebanese relations, which, during 1946, were inextricably bound with Franco-Lebanese relations, in 1947 centred more on Anglo-Arab relations, and in particular on the Palestine and Egyptian problems. In both these instances the Lebanese Government proved to be an element for moderation and showed comprehension for the policy of His Majesty's Government. The breakdown of Anglo-Egyptian negotiations came as a considerable shock (in spite of the fact that shortly before the Lebanese Chamber had unanimously approved a resolution in support of Egypt), and on 5th February the Lebanese Government (together with the Syrian Government) tendered their good offices for the settlement of the dispute. The offer was accepted by His Majesty's Government, but the Egyptian reply was so uncompromising as to be virtually a rejection, and the Syrian and Lebanese Governments were strongly criticised in Egypt for their attitude. They nevertheless persisted, and at the meeting of the Arab League Council attempted unsuccessfully (the Egyptians resorted to blackmail methods and the Lebanese Minister for Foreign Affairs, Pharaon, left before the final meeting) to secure a resolution in moderate terms. Following the Egyptian reference of the dispute to the Security Council, the Lebanese President and Prime Minister used their influence in Syria to secure the despatch of suitable instructions to the Syrian representative on the Security Council. The latter's attitude and failure to carry out his instructions (which had been to work for the realisation of Egyptian aspirations by conciliation and, if possible, the reopening of negotiations) caused pained surprise in responsible circles. Similarly, over the Palestine question the Lebanese Government have, as far as circumstances permit, shown understanding for the policy of His Majesty's Government. Both the decision of His Majesty's Government in February, following the breakdown of the London Conference, to refer the question to the United Nations Organisation and that announced by the Colonial Secretary in September to terminate the mandatory administration rather than implement partition were well

received. In spite of Arab hostility to U.N.S.C.O.P., the Lebanese Government arranged in July for the commission to visit the Lebanon and to meet Arab representatives, and much credit is due to the Government for the successful organisation of the conference, which considerably impressed the United Nations delegates. The meeting of the Arab League Political Committee convened after the publication of the U.N.S.C.O.P. report took place in the Lebanon in September and there is little doubt that the wise counsels of the Lebanese Prime Minister, who was chairman of the meeting, were appreciated, particularly in connexion with the sharp divergence of opinion between Iraq and Saudi Arabia over the proposed application, in accordance with the so-called Bludan secret decisions, of economic sanctions against Britain and the United States. In November, owing to the cholera outbreak in Egypt, the Arab League Council also met in the Lebanon, and it is probably in no small measure due to Riad Solh that full account was taken in the course of these deliberations of His Majesty's Government's decision to evacuate Palestine. After the meeting the President of the Republic gave His Majesty's Chargé d'Affaires, Mr. T. E. Evans, an assurance that the precautionary military measures decided upon at the meeting were in no way directed against the British as long as they remained in Palestine. Assurances were also received that the presence of the ex-Mufti, who had arrived unexpectedly in Beirut on 8th October, would not be allowed to render more difficult the task of the British administration in Palestine. Little, if any, resentment at the United Nations decision in favour of partition was directed against His Majesty's Government. Reference has already been made to the wish of the Lebanese President and Prime Minister to reach an overall agreement between His Majesty's Government and the Arab States, and soundings in this connexion were made by the latter at the Arab League Council meeting held in Cairo in December.

8. Some improvement in Franco-Lebanese relations followed the appointment of Frangieh as Minister for Foreign Affairs in June, and the long-delayed payment of the cost of telephone installations handed over by the French was effected. Little progress, however, was made in connexion with the settlement of French properties in the Lebanon, largely owing to difficulties over the more important issue of

the French guarantee against devaluation of Lebanese-Syrian franc holdings which constitute the cover for the Syrian-Lebanese currency issue. The French thesis that their obligations under the financial agreement of 1944 had been fulfilled by their recent payment in connexion with the previous devaluation of the franc was rejected by the two Governments on the grounds that this amounted to unilateral denunciation of the agreement. The Syrians and Lebanese countered by offering to negotiate (the Lebanese Government had, in fact, been strongly advised by the Belgian financial expert, M. Van Zeeland, to adopt this course). The Minister for Foreign Affairs left for Paris in September. By the end of the year no agreement had been reached but it was known that the French were prepared to guarantee a substantial part of the currency cover and to make the balance available either in the form of French exports or in foreign currencies (but excluding dollars). There were, however, indications of differences of opinion between the Lebanese and Syrian Governments in connexion with this offer. In August the Lebanese Government signed a convention valid for 70 years with the Compagnie Française de Pétrole for the construction of refineries in the Lebanon, but the convention has not yet been ratified. French activities in the cultural field are noteworthy. Relations between His Majesty's Legation and the French Legation have been correct, though it must be recorded that the suspicions of the French, who are sparing no pains to recover their former position, have by no means been allayed.

9. The ratification by the Chamber of the agreement with the Trans-Arabian Pipeline Company in February (when a Civil Aviation Agreement with the United States of America was also approved) and the large-scale preparations for the construction both of the pipe-line and of a refinery at Sidon appeared to herald an increase of American influence in the Lebanon. In the event this did not materialise, largely owing to the American attitude towards the Palestine question and American support for partition, which resulted in the refusal of the Syrian Government to submit their agreement with the company to the Chamber for ratification, and in the virtual suspension of the company's activities in the Lebanon. The United States of America shared with the U.S.S.R. the distinction of bearing the

brant of public resentment against the United Nations Palestine proposals. The decision of the Socony Vacuum Company to impose retroactive cuts on petroleum products increased anti-American feeling, and the intervention of the Trans-Arabian Pipe-line Company (in an effort to secure the ratification of their agreement with Syria) only served to increase the growing impression that the United States lacked experience in foreign, particularly Middle East, affairs. Some progress was registered early in the year in the negotiations for a treaty of friendship and commerce, but at the time of writing there is no indication that it will be signed soon. Relations between His Majesty's Legation and the United States Legation have been cordial.

10. Russian prestige, which, as indicated above, declined owing to Soviet support for the partition of Palestine, was also adversely affected by the set-backs suffered by the local Communists who, having completely failed in the elections, joined forces with the Opposition and shared in its discomfiture. The Soviet Legation, however, succeeded in securing a satisfactory settlement in connexion with former Imperial properties in the Lebanon, and in November the Chamber approved an allocation of credits for their purchase. According to the Armenian Patriarchate, some 12,000 Armenians have been repatriated to Soviet Armenia in 1947.

11. An event of considerable importance which occurred during the year was the appointment of a Papal Nuncio to the Lebanon—Mgr. Marina presented his letters of credence on 24th June—and the recall of the Apostolic Delegate, Mgr. Rémy le Préte. Efforts by the French to secure the appointment of a Frenchman were unsuccessful and the decision of the Vatican to send an Italian gave considerable satisfaction in Government circles. Mgr. Marina has succeeded in gaining the confidence of the Lebanese authorities and it is expected that he will in the future exert considerable influence in the country.

12. The Lebanon's relations with Arab countries, with the possible exception of Transjordan, have been cordial. It is noteworthy that relations with the latter have been closely connected with those of Syria, *i.e.*, coolness between Beirut and Amman has invariably been accompanied by increased cordiality between Beirut and Damascus. The improvement in Syrian-Lebanese relations which followed the

formation of the Riad Solh Cabinet in December 1946 became more marked as uneasiness in connexion with the Greater Syria project increased in certain Lebanese Government circles following King Abdullah's visit to Angora and the conclusion of the Transjordan-Turkish Treaty. The Minister for Foreign Affairs, Pharaon, in February attempted without success to secure the approval of His Majesty's Government for a statement which he proposed to make in the Lebanese Chamber and which would have implied His Majesty's Government's opposition to the scheme. It is not without significance that the Syrian President chose this juncture for his first State visit to the Lebanon. Later, the inability of Syria, owing to its poor harvest, to meet the Lebanon's needs in cereals and her unwillingness to sign the Trans-Arabian Pipe-line Company's agreement led to a deterioration in Lebanese-Syrian relations, but once more the Greater Syria question (in the form of King Abdullah's manifesto of 4th August) supplied the corrective and at the meeting (referred to in paragraph 4 above) of the Syrian and Lebanese Presidents at the latter's summer palace the Syrian Government accepted to enter into an agreement with the American company, and at the same time a communiqué was issued strongly condemning King Abdullah's activities. The Lebanese President paid a State visit to Iraq at the end of the year. Reference has already been made to Lebanese-Egyptian relations. As regards Palestine, the Lebanese Government have played a prominent part in support of the cause of the Palestine Arabs, and it is noteworthy that Lebanese Christians, though a large section of them is known to be lukewarm in its opposition to Zionism, have in public followed the official line.

13. In spite of many difficulties, both internal and external, the Lebanon can, it

may be safely said, look back with some satisfaction on its achievements during its first year of complete independence. Abroad its representatives have participated in the work of the United Nations Organisation and of the Arab League, and there is little doubt that its leaders, particularly the President and the Prime Minister, have acquired added prestige and influence in Arab countries. Lebanese aloofness from Hashemite and anti-Hashemite rivalry has proved a source of strength, as have their relatively moderate counsels. The success of the first Arab League Cultural Conference which was held in the Lebanon in September and the absence of extremism in the resolutions approved are largely due to the moderating influence of the Lebanese Government. At home the difficult election period was negotiated with reasonable success. On the whole labour troubles have been few. The need for reform, particularly in administration, is realised, but, though some attempts have been made, little progress has been registered. In present circumstances it is unfortunately a fact that real reform and the eradication of abuse which give rise to widespread criticism of the Government can only be regarded as long-term policy. In the economic field a good start has been made with the Gibb survey. Professor Robson's work on social insurance is promising and an interesting experiment in dealing with the problem of infant delinquency (which is already giving practical results) is being conducted by Georges Bey Haimari, who studied the question during his visit to the United Kingdom. It cannot be doubted, however, that as long as the Lebanese are obliged to devote much of their energies to problems of foreign affairs, not least the Palestine problem, little real progress can be achieved. Like the majority of other countries, what the Lebanon requires is a period of peace and stability.

E 8915/425/88

No. 2

RELATIONS BETWEEN CHRISTIANS AND MOSLEMS IN THE LEBANON

Mr. Houstoun-Boswell to Mr. Bevin. (Received 2nd July)

(No. 81)
Sir,

*Beirut,
26th June, 1948.*

I have the honour to transmit herewith a well-balanced memorandum by Mr. Jupp,

second secretary, inviting attention to recent examples of antipathy between Christians and Moslems in the Lebanon. While I do not suggest that this ill-feeling,

which is inevitably present here, need necessarily be the cause of undue alarm at this stage, it is nevertheless significant that these instances are the first of any note which have come to light since the Lebanon gained its independence. And it cannot be disputed that a disturbing tendency towards inter-communal strife is discernible in the internal politics of the country.

2. This is particularly disquieting in present circumstances when the Government are preoccupied with external affairs and when their security forces are fully engaged over Palestine. In this connexion it should be borne in mind that this is a "one-man" Government and that that man, Riad Bey Solh, is more often away from than in the country because of the exigencies of the Palestine problem. As stated in the memorandum, failure to deal promptly and effectively with any incident which may occur must necessarily detract from the prestige of the Government while any action by one section of the community to protect itself or avenge itself on the other element must inevitably increase confessional consciousness.

3. It should perhaps be emphasised that the motives of the various individuals who make up the "opposition," which is mostly to be found outside the Chamber of Deputies, are complicated and various. There is a genuine desire among the opposition, and indeed among Government supporters as well, to bring about certain reforms in the internal administration of the country. But it would be a mistake to assume that the opposition would be any better able to introduce or implement reforms than are the Government, who according to all the information now available are apparently on the point of taking steps to remedy the most outstanding defects in the administration (compare paragraph 7 of my despatch No. 65 of 10th May). There is nevertheless considerable irritation in opposition circles at the Government's inability to administer the country efficiently and at their apparent apathy towards certain vital needs of the community. But this desire for reform is not uninfluenced by personal grudges and jealousies and a natural desire on the part of those not now in office to enjoy the fruits of office and the power and prestige which flow from an official position.

4. It should be borne in mind, too, that Moslems share with Christians a desire for reforms and that many of them feel that Camille Chamoun and Kamal Jumblatt, 38293

who have both during the last year advocated internal reforms, are perfectly right. The former is a Maronite, the latter a Druze, and the two of them are doctrinaires imbued with an ardent hatred of the jobbery associated with this (or, for that matter, almost any other) presidential entourage. On the other hand, very few (if any) Moslems are prepared to accept Camille Chamoun's vindictive and strangely sudden criticism of Riad Bey Solh's conduct of affairs with regard to Palestine. For the Moslems the Palestine war is a "Jihad" and Riad Bey Solh's success early in May in co-ordinating Arab plans for armed intervention in Palestine have enormously enhanced his personal prestige among his fellow Moslems both inside the Lebanon and throughout the Arab world. The attitude of the President of the Republic has also been above reproach in this respect, for though a Maronite himself his opposition to Jewish influence in the Middle East has been implacably unswerving.

5. Therefore, as I have already stated, I do not think that there is any immediate cause for anxiety, particularly as there are influential men in both communities who will do their best to prevent communal disorder of any kind: they know too well that that could only spell the end of the Lebanon, though that would not worry the extremists in either camp overmuch. Further incidents may occur, however, and, if they are serious, the Lebanese Government may find themselves in difficulties, so long as they are involved militarily in Palestine. The danger inherent in the Palestine commitments is that if the very weak and futile Lebanese forces were to suffer defeat (which can be taken as a foregone conclusion if they were ever engaged in earnest) serious communal trouble, which the Government would be unable to control, must be expected. That risk is increased by the fact that the Government cannot rely on sincere co-operation on the part of the Christian clergy (especially Maronite) who are in the main anti-Government because of their traditional fear of being absorbed by the Moslems and by reason of their great attachment to the French, who never miss an opportunity to play up their rôle as the defenders of Christianity.

6. Even if no further incidents of inter-communal strife occur, the present feeling of tension is bound to continue for some time to come, and complete calm and absence of ill feeling between the two communities

formation of the Riad Solh Cabinet in December 1946 became more marked as uneasiness in connexion with the Greater Syria project increased in certain Lebanese Government circles following King Abdullah's visit to Angora and the conclusion of the Transjordan-Turkish Treaty. The Minister for Foreign Affairs, Pharaon, in February attempted without success to secure the approval of His Majesty's Government for a statement which he proposed to make in the Lebanese Chamber and which would have implied His Majesty's Government's opposition to the scheme. It is not without significance that the Syrian President chose this juncture for his first State visit to the Lebanon. Later, the inability of Syria, owing to its poor harvest, to meet the Lebanon's needs in cereals and her unwillingness to sign the Trans-Arabian Pipe-line Company's agreement led to a deterioration in Lebanese-Syrian relations, but once more the Greater Syria question (in the form of King Abdullah's manifesto of 4th August) supplied the corrective and at the meeting (referred to in paragraph 4 above) of the Syrian and Lebanese Presidents at the latter's summer palace the Syrian Government accepted to enter into an agreement with the American company, and at the same time a communiqué was issued strongly condemning King Abdullah's activities. The Lebanese President paid a State visit to Iraq at the end of the year. Reference has already been made to Lebanese-Egyptian relations. As regards Palestine, the Lebanese Government have played a prominent part in support of the cause of the Palestine Arabs, and it is noteworthy that Lebanese Christians, though a large section of them is known to be lukewarm in its opposition to Zionism, have in public followed the official line.

13. In spite of many difficulties, both internal and external, the Lebanon can, it

may be safely said, look back with some satisfaction on its achievements during its first year of complete independence. Abroad its representatives have participated in the work of the United Nations Organisation and of the Arab League, and there is little doubt that its leaders, particularly the President and the Prime Minister, have acquired added prestige and influence in Arab countries. Lebanese aloofness from Hashemite and anti-Hashemite rivalry has proved a source of strength, as have their relatively moderate counsels. The success of the first Arab League Cultural Conference which was held in the Lebanon in September and the absence of extremism in the resolutions approved are largely due to the moderating influence of the Lebanese Government. At home the difficult election period was negotiated with reasonable success. On the whole labour troubles have been few. The need for reform, particularly in administration, is realised, but, though some attempts have been made, little progress has been registered. In present circumstances it is unfortunately a fact that real reform and the eradication of abuse which give rise to widespread criticism of the Government can only be regarded as long-term policy. In the economic field a good start has been made with the Gibb survey. Professor Robson's work on social insurance is promising and an interesting experiment in dealing with the problem of infant delinquency (which is already giving practical results) is being conducted by Georges Bey Haimari, who studied the question during his visit to the United Kingdom. It cannot be doubted, however, that as long as the Lebanese are obliged to devote much of their energies to problems of foreign affairs, not least the Palestine problem, little real progress can be achieved. Like the majority of other countries, what the Lebanon requires is a period of peace and stability.

E 8915/425/88

No. 2

RELATIONS BETWEEN CHRISTIANS AND MOSLEMS IN THE LEBANON

Mr. Houstoun-Boswall to Mr. Bevin. (Received 2nd July)

(No. 81)
Sir,

*Beirut,
26th June, 1948.*

I have the honour to transmit herewith a well-balanced memorandum by Mr. Jupp,

second secretary, inviting attention to recent examples of antipathy between Christians and Moslems in the Lebanon. While I do not suggest that this ill-feeling

which is inevitably present here, need necessarily be the cause of undue alarm at this stage, it is nevertheless significant that these instances are the first of any note which have come to light since the Lebanon gained its independence. And it cannot be disputed that a disturbing tendency towards inter-communal strife is discernible in the internal politics of the country.

2. This is particularly disquieting in present circumstances when the Government are preoccupied with external affairs and when their security forces are fully engaged over Palestine. In this connexion it should be borne in mind that this is a "one-man" Government and that that man, Riad Bey Solh, is more often away from than in the country because of the exigencies of the Palestine problem. As stated in the memorandum, failure to deal promptly and effectively with any incident which may occur must necessarily detract from the prestige of the Government while any action by one section of the community to protect itself or avenge itself on the other element must inevitably increase confessional consciousness.

3. It should perhaps be emphasised that the motives of the various individuals who make up the "opposition," which is mostly to be found outside the Chamber of Deputies, are complicated and various. There is a genuine desire among the opposition, and indeed among Government supporters as well, to bring about certain reforms in the internal administration of the country. But it would be a mistake to assume that the opposition would be any better able to introduce or implement reforms than are the Government, who according to all the information now available are apparently on the point of taking steps to remedy the most outstanding defects in the administration (compare paragraph 7 of my despatch No. 65 of 30th May). There is nevertheless considerable irritation in opposition circles at the Government's inability to administer the country efficiently and at their apparent apathy towards certain vital needs of the community. But this desire for reform is not uninfluenced by personal grudges and jealousies and a natural desire on the part of those not now in office to enjoy the fruits of office and the power and prestige which flow from an official position.

4. It should be borne in mind, too, that Moslems share with Christians a desire for reforms and that many of them feel that Camille Chamoun and Kamal Jumblatt, 38293

who have both during the last year advocated internal reforms, are perfectly right. The former is a Maronite, the latter a Druze, and the two of them are doctrinaires imbued with an ardent hatred of the jobbery associated with this (or, for that matter, almost any other) presidential entourage. On the other hand, very few (if any) Moslems are prepared to accept Camille Chamoun's vindictive and strangely sudden criticism of Riad Bey Solh's conduct of affairs with regard to Palestine. For the Moslems the Palestine war is a "Jihad" and Riad Bey Solh's success early in May in co-ordinating Arab plans for armed intervention in Palestine have enormously enhanced his personal prestige among his fellow Moslems both inside the Lebanon and throughout the Arab world. The attitude of the President of the Republic has also been above reproach in this respect, for though a Maronite himself his opposition to Jewish influence in the Middle East has been implacably unswerving.

5. Therefore, as I have already stated, I do not think that there is any immediate cause for anxiety, particularly as there are influential men in both communities who will do their best to prevent communal disorder of any kind: they know too well that that could only spell the end of the Lebanon, though that would not worry the extremists in either camp overmuch. Further incidents may occur, however, and, if they are serious, the Lebanese Government may find themselves in difficulties, so long as they are involved militarily in Palestine. The danger inherent in the Palestine commitments is that if the very weak and futile Lebanese forces were to suffer defeat (which can be taken as a foregone conclusion if they were ever engaged in earnest) serious communal trouble, which the Government would be unable to control, must be expected. That risk is increased by the fact that the Government cannot rely on sincere co-operation on the part of the Christian clergy (especially Maronite) who are in the main anti-Government because of their traditional fear of being absorbed by the Moslems and by reason of their great attachment to the French, who never miss an opportunity to play up their rôle as the defenders of Christianity.

6. Even if no further incidents of inter-communal strife occur, the present feeling of tension is bound to continue for some time to come, and complete calm and absence of ill feeling between the two communities

will not be restored until a just settlement of the Palestine dispute enables the Government to spend their energies to the restoration of respect for law and order throughout the land by the inculcation of a sense of discipline in these irresponsible and easily misled people, who have for years under French rule been taught by their own nationalist leaders (now forming the majority of the Government) that the height of virtue was to evade the law and trick the Government. And it was the Christian element which supported the French in exchange for protection against alleged Moslem aggressive designs, of which the French made the most on the principle of "divide and rule."

7. I am sending copies of this despatch to His Majesty's Minister at Damascus and to the head of the British Middle East Office.

I have, &c.

W. E. HOUSTOUN-BOSWALL.

Enclosure in No. 2

Christian-Moslem Tension in the Lebanon.

There have been four serious examples of communal ill-feeling between Christians and Moslems in the Lebanon in the last three months. And in view of the variety of religions and sects which go to make up the population of this little country, they would appear not to be without significance.

2. The first was the result of the conclusion of the Financial Agreement with the French as referred to in paragraph 3 of Beirut telegram No. 236 to the Foreign Office of 26th March. Although the ratification of the agreement with France by the Lebanese Chamber has been postponed and the *modus vivendi* concluded with Syria has been extended until 15th July, it is remarkable that opinions as to the soundness or expediency of the agreement remain more or less unchanged. In general the Moslems are, regardless of any economic consideration, in favour of collaboration with Syria at all costs, while the Christians tend to support agreement with France at the expense even of friendly relations with Syria. This matter has for the moment been shelved, but it has by no means been solved. Although discussions between the Lebanese and Syrian Governments are actually in progress, this difference of opinion remains an important feature of the back-cloth against which the play of internal politics is now taking place.

3. The second example of Christian-Moslem antagonism is an indirect result of the re-election of Sheikh Bechara el-Khoury as President, an event which together with the unnatural lull imposed by the Truce in Palestine, has tended to divert attention to internal politics. As recorded in paragraphs 4 and 5 of Beirut despatch No. 65 of 30th May, nine Deputies abstained from supporting the re-election of the President and two extra-parliamentary groups (the National Bloc of ex-President Emile Eddé and the National Liberation Party of Abdul Hamid Karameh) were opposed to his re-election. At first, therefore, opposition to the President's re-election and also to the present Government was more or less equally divided between Christians and Moslems; five of the abstaining Deputies are Christians, three Moslems (although one of these would have supported the President had he not been out of the country) and one Druze, while Emile Eddé's National Bloc is a predominately Christian group and Abdul Hamid Karameh's followers are mainly Moslem. Subsequent events, however, have tended to isolate the Christian from the Moslem opposition. The first move by the various opposition elements after the re-election of Sheikh Bechara el-Khoury as President was made on 4th June, when Pierre Gemayel, the leader of the Phalangist Party, which is Right wing and influential in Christian circles, after a meeting with Camille Chamoun, issued a statement to the press calling on all opponents of the present régime (*i.e.*, all those not at present in office) and all "reformists" to join the "opposition," whose main object would be the overthrow of the present Government and the dissolution of the Chamber, which was claimed to have been illegally elected on 25th May, 1947. In his declaration Gemayel was careful to make it clear that he had no quarrel with President el-Khoury himself and that the President's re-election had been perfectly justified. Other opposition elements have made similar statements. Thus the assertion in Beirut despatch No. 65 of 30th May that the President's position is now unassailable has in no way ceased to be true. Pierre Gemayel's statement to the press was followed by various meetings between Camille Chamoun, Henri Pharaon and Abdul Hamid Karameh, and an "opposition" on a broad basis seemed to be on the point of taking shape. The only element not included in the Opposition at that stage was the Bloc National of Emile

Eddé, with whom Abdul Hamid Karameh, in common with the majority of Moslems in the Lebanon, refused to associate owing to Emile Eddé's notorious French affiliations and his known bias in favour of the creation of a Little (Christian) Lebanon. In this connexion it should be remembered that the Moslems are not prepared to forget Emile Eddé's part in the French *coup d'Etat* of November 1943, when he sponsored the elimination of his opponents by the employment of Senegalese troops.

4. On 13th June, however, Camille Chamoun received Emile Eddé at his house and it was the hope of the latter that his National Bloc would be given a recognised place in the Opposition. On the following day Camille Chamoun made a statement to the press in which he criticised most severely—and with some justification, though not a little bad taste in that he had been one of their leading representatives at Lake Success—the Arab Governments and leaders for what he termed their inefficient and inept handling of the Palestine situation, including their acceptance of the truce. These two actions by Camille Chamoun had immediate repercussions. On 15th June Riad Bey Solh, the Prime Minister, lunched with Abdul Hamid and Omar Bayhum, Moslem leaders, with the result that on the following day Abdul Hamid Karameh, as head of the National Liberation Party, issued a declaration to the press to the effect that Palestine must come first and that until the Palestine problem was settled opposition and "reform" were out of the question. Since that declaration, there has been a marked change in the political atmosphere in the Lebanon, and antagonism between Moslems and Christians is again becoming apparent. The Opposition has been reduced to an almost exclusively Christian concern led by Camille Chamoun, Henri Pharaon and Pierre Gemayel, with Emile Eddé, who is now in France, as a somewhat sinister though dim figure in the background while the Moslems, including the abstaining Moslem Deputies referred to above, have preferred to stand aside on the grounds that Palestine must come first. The only unknown quantity is the Druze, Kamal Jumblatt, who is still in Europe and whose attitude (for he is notoriously unstable) is unknown. As with the Franco-Lebanese Financial Agreement, this incident is by no means closed although it may again sink into the background, particularly if Riad Bey Solh, who is an extremely astute politician, manages to detach the various members of the Oppo-

sition one by one from their present colleagues and loyalties—a feat of which, given time, he is perfectly capable. On the other hand the possibility should not be excluded that in his desire to smash the Opposition, Riad Bey may exploit the confessional coincidence of the present grouping of personalities. In any case, however, these incidents will remain as a constant reminder of possible Moslem-Christian dissension. These differences are not diminished by the fact that certain Christian elements in the country secretly favour the establishment of a Jewish State in Palestine, and possibly even an alliance between a Christian Little Lebanon and a Jewish "Israel" against the Moslem Arabs. Expression has recently been given to this view by Mgr. Moubarak, Archbishop (Maronite) of Beirut, now in Paris "for his health" in a declaration to the press; and however vehemently the local Christians may disclaim agreement with Mgr. Moubarak, the suspicion remains that they secretly share his views.

5. The third and fourth examples of Christian-Moslem tension which have occurred have been far less serious in that they have so far been local. It is only against the background of the first and second examples that these incidents assume a dangerous significance. The third instance was at Balbek in the Beeka on 7th June when the Dendachés, an unruly Shia tribe of about sixty strong who live in the hills above Balbek, descended upon a party of six Greek Catholic villagers working in the fields, slaughtered five of them, and buried alive one whom they took prisoner, while ten gendarmes who were supposed to be protecting the Christian harvesters ran away at the first shot and were unhurt. This incident was a continuation of a vendetta between the local Christians and the Dendachés which has been going on for more than a generation. In the 1920's the French had trouble with the Dendachés and had to use a considerable number of troops (Lebanese sources say 4,000) to quell them, while during the last war the British Political Officer at Balbek, Lieutenant-Colonel Player, had some difficulty in keeping order in the district. The position now is that the Lebanese Government can only spare a few hundred gendarmes and troops to deal with the situation owing to the fact that the bulk of the Lebanese army and a considerable proportion of the gendarmerie are committed on the Palestine frontier, from which the Government now very naturally

refuse to move them because of His Majesty's Government's declaration that British troops will be withdrawn from Haifa in the end of June. Since the forces available are totally inadequate to deal with the Dendachés, local Christians have threatened to take the law into their own hands. At the same time the local Deputy Sabri Bey Hamadé, a Shia, who is also president of the Chamber, has asked for police protection for his house, doubtless with the intention of forestalling any request by the Government that he should use his influence with the Dendachés to restore normality. The situation is therefore extremely disquieting since failure to take action will do considerable harm to the Government's prestige, while any counter-measures taken by the local Christians on their own initiative will only increase Christian-Moslem feeling.

6. The last incident occurred in Tripoli on 22nd June, and has been reported by the British Vice-Consul there. In essence it was a stupidly trivial affair. A Christian from a neighbouring village was sitting in a full bus ready to go to Beirut. A Moslem of alleged importance, who insisted that his journey was more urgent, persuaded the bus conductor to eject the Christian by force and give him the vacant

seat. The bus left for Beirut. The Christian, having collected some twenty friends, then proceeded to the bus garage and with their help wrecked it. The incident would have ended there had not someone else from the village concerned caused the church bells to be rung, thus summoning all the villagers, who are unusually tough, armed with sticks, stones and firearms to the centre of the village, from which they proposed to march on Tripoli. Intervention by telephone by Hamid Bey Frangieh, Minister for Foreign Affairs, who is a Christian notable of North Lebanon, and of the Mohafez of Tripoli, prevented the villagers from carrying out their threat. Meanwhile Abdul Hamid Karameh was visiting the Kaimakam of Tripoli with other Moslem notables and, on hearing of the incident, is reported to have remarked that Tripoli was a Moslem town and that he did not see why Christians from the surrounding countryside should be allowed to make trouble there.

This last incident emphasises, perhaps, the ever-present risk in this country of serious communal strife breaking out as a result of the most trivial incident.

C. N. J.

25th June, 1948

F. 9236/9236/88

No. 3

LEBANON: HEADS OF FOREIGN MISSIONS, 1948

Mr. Houstoun-Boswall to Mr. Bevin. (Received 9th July)

(No. 83)
Sir,

Beirut.

30th June, 1948.

I have the honour to transmit to you herewith a report on the heads of foreign missions in Beirut.

I am sending copies of this report to His Majesty's Ambassador at Cairo and His Majesty's Minister at Damascus.

I have, &c.

W. E. HOUSTOUN-BOSWALL.

Enclosure in No. 3

Heads of Foreign Missions in the Lebanon, 1948

Argentina

Dr. Albert Vinas, minister (7th May, 1947).

Also accredited to Syria.

A superficial and frivolous *roué* who seems to have absolutely nothing to do. He is quite pleasant and started life as a surgeon. Speaks indifferent French, no English.

He left on 10th May announcing that he had been "recalled provisionally." It is not known whether he will return or not.

Belgium

Count Geoffrey d'Aspremont-Lynden, minister (22nd December, 1946).

Also accredited to Syria.

Quite a nice man with a vague and pleasant wife. He has a certain amount to do here as his country has several big commercial interests. I like what I have seen of him, but have not seen much. (Written in 1947.)

They do not improve on acquaintance, are evidently very superficial.

Brazil

M. Alarico Silveria, Jun., chargé d'affaires *ad interim*.

Also accredited to Syria.

A very young man, who is holding the fort until a new minister is appointed.

Czechoslovakia

M. Karel Stanek, chargé d'affaires *ad interim*.

Also accredited to Syria.

A very sinister secretary who has been here for some time and who maintains closest touch with the Russians, from whom he doubtless gets his orders. A new minister is awaited.

Egypt

Awad el-Bahraoui Bey, minister (21st October, 1947).

Also accredited to Syria.

A nice, intelligent man who professes great admiration and friendship for the British. His ideas seem to be along sensible and moderate lines. He has been here so little that I have not seen as much of him as I could have wished but, when we do meet, he is always effusively friendly.

France

Count Armand de Chayla, minister (7th July, 1946).

A bachelor who does things very well and entertains on a lavish scale; evidently has money of his own. Pleasant-looking and well-turned-out. Very much the "sportsman." He is superficially an agreeable, but not particularly co-operative, colleague. Unfortunately, from our point of view in the Lebanon, he is, politically, fanatically on the side of the Christian element, and does not conceal his contempt for the Moslems. He appears to have established for himself quite a reasonably good position in rich Lebanese society. (Written in 1947.)

Greece

M. Nicolas Hadji Vassiliou, chargé d'affaires *ad interim* (20th August, 1947).

Also accredited to Syria, Iraq and Transjordan.

An affable and rather self-important busybody, who is always very obviously on the look-out for "news," he is very keen to collaborate closely with us in all fields. He is an agreeable but rather tiring man, who speaks French and English fluently. His wife is nice too.

Holy See

Mgr. Alcide Marino, nuncio (24th June, 1947).

An experienced Vatican diplomatist. He has been Papal representative at Tehran and Angora, whence he came here direct. He is, I believe, about 64 years of age and well preserved. He makes an excellent impression and, judging by what he said when we met for the first time, I should imagine that he will exert a very wholesome influence among the Christians here, some of whom are inclined to look back with longing to the days when they enjoyed foreign protection. (Written in 1947.)

I have found him very co-operative and helpful. He makes a good and dignified doyen.

Iraq

Ibrahim Al-Fadli, chargé d'affaires (20th July, 1947).

A heavy, dull, young man who does not give the impression of being very active. He is at all times most friendly and reminds one of rather a nice dog. He has a pleasant wife.

Italy

Dr. Adolfo Alessandrini, minister (9th August, 1947).

Like so many Italians, he declares that he definitely disapproved of the war and so got posted to Switzerland, where he married the daughter of the Spanish Minister, whose wife was, I understand, English. They are a very friendly couple and he is pathetically anxious to make himself agreeable to, and to co-operate with, the British. Both speak fluent English. (Written in 1947.)

Mexico

M. Francisco A. de Icaza, minister (26th July, 1947).

Lives in a hotel here with his nice wife and children. He is bored to tears and, avowedly having

absolutely no work or other interests, endeavours to while away his time by playing bridge and reading history. He is a very cultivated and pleasant colleague.

Persia

M. Zain al-Abidine Rahnama, minister (25th October, 1946).

Also accredited to Syria.

A nice little, earnest man who, I believe, owns a newspaper in Tehran which is now edited by his son. Has some reputation locally as a man of letters. He is a well-informed colleague and very co-operative. He has a probably nice wife who is, unfortunately, a very indifferent linguist. (Written in 1947.)

Poland ("London Government")

M. Zigmunt Zawadowski, minister (17th August, 1944).

Until the enforced dissolution in July 1945 of the Government which he claims to represent, M. Zawadowski enjoyed a good position here, partly because the Lebanese were grateful to Poland for being the first country, after Great Britain and France, to recognise their independence. Since then his position has become increasingly equivocal, for, although he is still recognised by the Lebanese Government and continues to enjoy full diplomatic privileges, he is like a general without an army, as the whole of his staff have been absorbed into the Polish Welfare Organisation, which is run under my auspices on behalf of the Treasury Polish Committee. M. Zawadowski (who is, technically speaking, the doyen of the Diplomatic Corps in the Lebanon) has expressed his intention to fly his flag till the last, and has declined to be absorbed into the welfare organisation and receives no funds from us. The policy of the Lebanese Government is explained by their desire to avoid trouble among the large Polish colony which, at our behest, they have received here from Persia, and whose allegiance is still overwhelmingly pro-London.

I seldom see him, as, not unnaturally, he does not circulate much nowadays. He seems very grateful for what is being done for the Polish refugees in the Lebanon by His Majesty's Government and is, therefore, quite friendly. I have not met his wife, who is French. (Written in 1947.)

Saudi Arabia

Sayed el Rashash, chargé d'affaires (11th December, 1946).

A clever and intelligent Damascene whom I knew at Bagdad, where, as here, he proved a good and co-operative colleague.

His wife is Turkish and does not usually meet men. However, I was flattered recently by being invited, with my wife, to an "intimate" luncheon of seven courses as evidence of his friendship for me. It was a most wearisome experience, as Mme. Rashash speaks only Turkish and Arabic, of which my wife and I are ignorant. (Written in 1947.)

Soviet Union

M. Daniel Solod, minister (1st October, 1944).

Also accredited to Syria.

Very civilised and superficially frank and friendly. Until the arrival of the nuncio he performed the functions of doyen of the Diplomatic Corps with amiable dignity. He is about 40 and a Ukrainian.

He has a nice wife and two children. Mme. Solod rarely accompanies her husband to social functions and has told my wife how much she resents being treated as something quite unusual just because she is a Russian. Both speak French. (Written in 1947.)

Spain

M. Teodoro Ruiz de Cuevas, chargé d'affaires (5th May, 1948).

A nice civilised man, imbued with a wholesome dislike of communism. He speaks French and some English and is married.

Switzerland

M. Henri Blanchard, chargé d'affaires (2nd July, 1942).

A very pleasant young man whose duties are, I should imagine, chiefly of a consular and commercial nature. He has an agreeable and decorative wife (Lebanese). (Written in 1947.)

Transjordan

Farhan Shbeilat, minister (6th March, 1948).

A nice and genuinely friendly little man who makes a very good impression, being dignified and well balanced in his judgment. He was first secretary in the time of his predecessor, on whom he is a great improvement. He speaks fluent English and is married.

Turkey

M. Celal Osman Abacioglu, minister (3rd May, 1945).

A hypochondriacal Turk of the old school. He is rarely seen without a greatcoat, even on a hot day, and is pompously formal. Is given somewhat to speechifying in the course of private conversation. He and his rather dim wife are most friendly. (Written in 1947.)

United States

Mr. Lowell Pinkerton, minister (26th February, 1947).

Having served in London, Australia, New Zealand, &c., this is his first post outside the British Empire. He was, I believe, eight years consul-general at Jerusalem before coming here. He is very friendly and co-operative and, I think, utterly reliable. He has a nice wife. (Written in 1947.)

He is an admirable colleague and, though not personally in sympathy with the Zionist policy of his Government, has comported himself with great dignity and has had no difficulty in retaining the respect and affection of the Lebanese officials.

Yugoslavia

M. Viktor Vidmar, minister (9th August, 1947).

Also accredited to Syria.

I have only met him at official receptions and should imagine that he represents adequately what his country stands for.

Ministers Accredited to the Lebanon but Resident Elsewhere**Greece**

M. Georges Triantaphyllidis (17th June, 1947). Cairo.

Saudi Arabia

Sheikh Abdul Aziz el Zeid (16th February, 1945). Damascus.

Sweden

M. Widar Bagge (17th June, 1947). Cairo.

Switzerland

Vacant, unless M. Secrétan has arrived at Cairo.

Chargé d'Affaires**Chile**

M. Juan Marin (29th June, 1948). Cairo.

appointed. Since the Prime Minister, Deputy Prime Minister and Minister for Foreign Affairs remain, the most significant alteration is that Gabriel Murr, the Deputy Prime Minister and formerly Minister of Public Works, now becomes Minister of the Interior.

5. In view of recent tendencies to lawlessness and the pre-occupation of the bulk of the country's security forces in Palestine, a firm and honest effort to maintain law and order is essential and may well in the end determine the ultimate survival not only of the new Government but also of the Lebanon as an independent State. At present there are daily occurrences of lawlessness, and the carriage of firearms is becoming more and more prevalent. This has led to a number of armed affrays and several hold-ups on the roads. In particular, the Beirut-Damascus road has become unsafe between Sofar and Chtura at night, and on Sunday, 25th July, several buses carrying members of the Phalangist Party from a political rally were held up by about fifty Communists near Enfeh in the Tripoli area. Although examples of lawlessness of this kind have never been entirely lacking since the Lebanon gained its independence and even occurred under the French mandate, it has always been possible in the past to send a sufficient number of gendarmes to any particularly troubled area quickly to restore order and confidence. But now, with some of the gendarmerie engaged in Palestine this has become increasingly difficult as there are simply not enough gendarmes to go round. The unsafe condition of the Beirut-Damascus road has thus continued unrectified for about a month. Similarly, the incident at Baalbeck between the Dendaches and the Christians described in the enclosure in my despatch No. 81 of 26th June still remains unpunished, and similar occurrences in the future can only serve to exacerbate the Moslem-Christian dissension to which I then invited your attention.

6. Gabriel Murr (Personality No. 79), who is well known for his pro-American views, may be honest enough by local standards to fulfil the task now allotted to him, but is certainly not firm enough to control this somewhat difficult internal situation. He has begun well (if reports now reaching me are true) in that, in spite of the opposition of his wife, a Hungarian ex-cabaret dancer, he has apparently agreed to the reorganisation of the Sûreté Générale, which is one of the weakest

instruments in the Lebanese Administration. Its former head, Edward Abi Jawdi, is a somewhat dishonest and very inefficient "yes" man who has shown himself quite incapable even of preventing penetration of his organisation by the Communists and who permits his subordinates, if not himself, to engage in various corrupt practices. He has now been made Director-General of the Ministry of Education and is being replaced at the Sûreté by the Emir Farid Chehab, an efficient French-trained police officer who, in 1947, attended a short course at Scotland Yard. In addition to the Sûreté, however, the gendarmerie and the police also require considerable reorganisation to rid them of the corruption which is now rife in both. It is significant that the Director-General of the Ministry of Agriculture recently reported that hashish was being grown on a large scale in the Bekaa, but that the gendarmerie had been quite incapable of dealing with the matter because of the influential positions of the landowners concerned. As a result of this report, which appeared in the press, the Government have now announced that the control of hashish cultivation has been transferred from the gendarmerie to the Sûreté Générale, an announcement which means in practice that nothing whatever will be done to prevent it. Yet the matter is an open scandal, since any traveller to Damascus can see the hashish crops from the main road. Similarly, the Sûreté have proved themselves completely incapable of taking any effective action against the Communist trade union leader, Mustafa el Ariss, who, by the mere threat of a strike, has always been able to persuade the Government to withdraw any warrant which may be issued against him.

7. Riad Solh's Government has perhaps been a little weakened by Camille Chamoun's departure, but despite this and all his administrative faults the Prime Minister's own position remains for the time being virtually unassailable. In the first place there is at the moment no really likely alternative Moslem to replace him, apart perhaps from Hussein Oweini, who is now a member of the Cabinet, and Abdul Hamid Karamah, who is not a member of the Chamber of Deputies and therefore ineligible for the post, and Abdullah Yafi, who still has not the complete confidence of the President. Secondly, his collaboration with the President and his control of the demonstration-minded Moslems of Beirut give him outstanding strength. His

CHANGES IN THE LEBANESE CABINET

Mr. Houstoun-Boswall to Mr. Berlin. (Received 6th August)

(No. 95)

Sir,

Beirut, 30th July, 1948

I have the honour to submit the following comments on the recent reshuffle of the Cabinet, which formed the subject of my telegram No. 552 of 27th July:—

2. The changes have been pending since the resignation of Camille Chamoun in May last reported in my telegram No. 373 of 21st May, but were continually deferred owing to the Government's pre-occupation over Palestine. The matter finally became urgent, however, when the extraordinary session of the Chamber of Deputies was opened on 22nd July and the first meeting was fixed for 27th July. That meeting has since been postponed but will in all probability take place early next month.

3. The actual timing of the rearrangement of the Cabinet was in part a manoeuvre by Riad es Solh to avoid criticism of his Administration in the Chamber since constitutionally a new Minister can-

not accept responsibility for the misdeeds of his predecessor. In particular, Ahmed el Assad, the new Minister for Public Works, who has for some time been sulky and dissatisfied, has by his appointment to office been effectively silenced. Nevertheless, the new Government will come in for sharp criticism in foreign affairs and will be called upon to answer two interpolations by Deputies Camille Chamoun (former Minister of the Interior) and Bahige Takieddine concerning the conduct of the war in Palestine and the unpopular acceptance of the truce by the Arab Governments.

4. Four members of the outgoing Cabinet (Riad Solh, Gabriel Murr, Hamid Frangieh and the Emir Majid Arslan) have been retained and four new Ministers, Hussein Oweini (Personality No. 11), Philip Tacla (Personality No. 108), Ahmed el Assad (Personality No. 15) and Dr. Elias Khoury (Personality No. 66) have been

new Government is therefore unlikely to be effectively challenged yet either inside or outside the Chamber of Deputies. Nevertheless, his ultimate position and the ultimate survival of the Lebanese Government will depend to a large extent on his ability to reform the Administration of the country. As things stand to-day any significant internal change demanded by public opinion can only be effectively introduced in face of the Government's opposition by a revolution, since the present electoral law, a heritage from the mandatory régime, makes it all too easy for the President and Prime Minister to arrange the elections to suit themselves and to fill the Chamber with their own followers, as we saw last year. The first essential, therefore, is a modification of the Electoral Law and at the same time the strengthening of the internal security of the country. The second essential is the cleaning up of the internal administration of the country so as to reduce to the minimum the corruption and rottenness of the present administrative machinery. And so it is not surprising that the reaction of the man in the street to these latest Cabinet changes is simply to shrug his shoulders and remark "plus ça change plus c'est la même chose."

8. As mentioned in my despatch No. 65 of 30th May, the President of the Republic promised on his re-election to introduce legislation which would secure the administrative improvements mentioned above. So far, however, only certain minor changes in the Administration have been achieved. On 1st July, 179 junior Government officials, mostly in the subordinate grades, were dismissed or induced to resign. It is interesting to note that seventy-one of them were, according to the Government's communiqué, dismissed for disciplinary reasons. This dismissal of minor officials was said to be only the first instalment of

administrative reform. Certainly its effect has been slight, except in the judiciary, where some senior officials were affected, including fourteen magistrates who resigned. The new magistrates are younger and on the whole more vigorous, although, like their predecessors, all those in key positions are nominees of the President. As for the further changes, difficulties have arisen, as they always will in a Republic of this kind, over the transfer of senior officials. The President can perhaps with truth say that he has ever since his re-election been pre-occupied over Palestine and the reshuffle of his Government. Nevertheless, administrative reform must be carried out if the Government is ultimately to survive. And I think His Excellency is at last beginning to realise that he must bestir himself. At any rate, I have quite often represented to him very frankly the dangers inherent in indefinite procrastination, and I am reliably informed that further changes are to be made before the end of the month.

9. Meanwhile the feeling of uneasiness mentioned in paragraph 4 of my despatch No. 54 of 30th June continues to grow and although there may be no person in the land at present capable of challenging the Government, this lack of confidence may in the end become a force too strong for the present leaders. The greatest danger, of course, is that when that time comes the Communists, who never cease to work for what they want, may endeavour to seize control, and as things are now they might cause a good deal of trouble.

10. I am sending copies of this despatch to His Majesty's Minister at Damascus and to the head of the British Middle East Office.

I have, &c.

W. E. HOUSTOUN-BOSWALL.

E 12553/244/89

No. 5

SYRIAN FINANCIAL NEGOTIATIONS WITH FRANCE AND THE LEBANON

Mr. Dundas to Mr. Bevin. (Received 27th September)

(No. 116)
Sir,

Damascus,
22nd September, 1948.

I have the honour to set out the history of Syrian financial negotiations with France and the Lebanon over the last eight months, even though some of the ground covered has been reported previously and in more detail, since political and public con-

centration during this period has been so largely directed outside Syria.

2. In the closing months of 1947 the French were preparing a revised financial agreement with the Levant States to replace the one signed in 1944. The new agreement provided that the 16 milliard francs standing to the credit of the Levant States

in France should be guaranteed against devaluation; 3 milliard francs of this sum should be retained by France in payment for French assets in the States seized by the local Governments; half the balance should be paid over a period of five years, commencing in 1953, on the basis of 50 per cent. in European currencies at the free market rate in Paris, 50 per cent. in goods at prices ruling at the date of shipment. The remaining 6½ milliard francs to be blocked for ten years, and to this sum was to be added sums due in compensation for devaluation of the franc; at the end of ten years, discussions were to take place to decide the manner in which this amount was to be paid. A further sum of 7 milliard francs was held in Paris as cover for credits and deposits with the Banque de Syrie et du Liban. This sum the French refused to guarantee against devaluation of the franc, and proposed to pay within two years, half in goods and half in European currencies.

3. The Syrians have maintained that throughout the negotiations they were concerned only to liquidate their assets, and did not wish to conclude a further financial agreement. The final draft was ready in early January. On 31st January the Lebanese initialled the draft, but the Syrians raised objections, in particular to the French claim for compensation. The French extended the time-limit for agreement by six days, during which French and Lebanese pressure was brought on to the Syrians, who still refused to sign and declared that henceforth they would be responsible for their own currency.

4. From an economic point of view Syria and the Lebanon are basically complementary; tariff barriers between the two countries would in all probability operate to the disadvantage of both States. This fact was recognised in the existence of a customs union, directed by a body known as the "Conseil supérieur des intérêts communs," sitting for six months alternately in Beirut and Damascus. An independent Syrian economy could, however, operate only if the Syrian Government maintained control over the flow of goods and currency, or if the Lebanese Government agreed to restrict imports and currency issue (of the existing joint currency) to conform with Syrian economic policy.

5. Signature of the agreement by the Lebanese Government meant that the Syrians found themselves in an impossible

position as long as they continued their economic union with the Lebanon; for they could have no control over the two factors most affecting their internal financial position. Accordingly, and in advance of the Lebanese ratification of the agreement, which took place at the end of August, the Syrians declared their currency independent; limited the amount of Syrian currency which could be transferred or taken out of the country free of permission to \$Syr.200; separated in March the Tobacco Régie and the Damascus-Homs et Prolongements Railway from Lebanese partnership; transactions in foreign currencies were suspended for a month pending the abolition of the existing Joint Syrian-Lebanese Exchange Control under the administration of the Banque de Syrie et du Liban and the establishment of an independent Syrian Exchange Control Office under the supervision of the Ministry of Finance, and for a short while the export of goods to the Lebanon was prohibited. Meanwhile Syrian politicians attempted to persuade the Lebanese not to ratify the French agreement, and though formally committed to the dissolution of the economic union, made a temporary "gentleman's agreement," which, by being extended on several occasions, is not due to expire until 30th September.

6. Whatever the material balance of advantages in continuing the French association might be, the Syrian decision to separate was quite certainly taken as a political necessity. The Egyptian separation from the sterling bloc had pointed the way, and no Syrian politician, particularly the President, who was nearing the end of his campaign for a second term of office, could afford to advise negotiation with the French. The decision was therefore received by the public with a wave of press-sponsored enthusiasm, and responsible Ministers vied with each other in stimulating the patriotic feelings of the country in the cause. No thought as to the consequences appeared to have been given in advance, and the measures outlined above were issued piecemeal. The issue then resolved itself into—

- (1) The desirability for the creation of a National Bank, and
- (2) The obtaining of cover adequate for the new currency.

7. So far the National Bank has not been formed. Three Egyptian experts who

arrived in Damascus to advise on its formation left—with Syrian decorations—after a week's stay, nothing apparently having been accomplished. Hopes for the currency backing were based on this year's exceptionally good wheat crop. The governmental wheat-collecting organisation, Mira, was continued in operation to cover the harvest, and the Syrian Government then offered to sell wheat abroad against hard currencies at a price well above the world level. An initial quantity of 50,000–60,000 tons was offered against payment in dollars, and although officially confirmed on 7th July that a contract had been concluded with an Aleppine merchant residing in Beirut for the sale to Italy of 50,000 tons at 158 dollars per ton f.o.b. Beirut, the deal was later reported to have fallen through on the ground that the Italian Government refused to pay the high price demanded. An agreement for the sale to Iraq of 30,000 tons at £45 sterling per ton was signed at the end of August. Meanwhile Syria was running into difficulties with Lebanese currency, the Lebanese having withdrawn all Syrian notes from circulation, and, consequently, though unwillingly, agreed to sell wheat to the Lebanon for Lebanese exchange. This exchange was needed: *inter alia*, to pay the oil companies for oil imports to Syria, all of which transit the Lebanon or are refined there. At the beginning of September the Syrian Government's indebtedness to the two major importers was 4 million Lebanese pounds. These oil products represent the only commodity absolutely necessary to her economy imported by Syria from the Lebanon. If either of the refineries projected by the Iraq Petroleum Company or the Middle East Pipe-line come into production in Syria the importation from Lebanon of even these oil products will become unnecessary, and the acquisition of Lebanese currency would cease to be essential for Syria.

8. Other foreign exchange was equally scarce, and the Syrian Government applied to His Majesty's Government for permission to use limited sums of sterling for the expenses of Syrian legations and students in Belgium, Greece, Iran, Saudi Arabia and Turkey. They were also glad to agree to the suggestion, made in the first instance by His Majesty's Government, that a payments agreement should be negotiated between the United Kingdom and Syria. Conversations were carried on in the latter part of August between a representative of the Treasury and Syrian Ministers and

officials; but to no result, as the Syrians were unable to convince Mr. Waight of their ability to control the free market in sterling by the measures they proposed. From the tenor of the conversations it seems evident that the Syrians had hoped by this agreement to secure enough sterling to form a reasonable proportion of the backing for their new currency.

9. The temper of the Government has now changed from the airy, patriotic irresponsibility in which they first decided to separate from the franc. The determination to have an independent currency remains, but with it there is a realisation of the difficulties which lie in the way, and of the severe harm which an interruption of economic union with the Lebanon can do to the country's economy.

10. Recently, in a conversation with me, the Syrian Minister for Foreign Affairs gave as his views that, while Syria was at present in difficulties, the Lebanon's economy was based on her trade with Syria; without it she would become unviable. Syria, however, could not afford the uncontrolled import and export of commodities which the Lebanon desired; there were, therefore, only two courses open to Syria, either to obtain the agreement of the Lebanese Government to the prohibition and/or control of various exports and imports along lines which suited Syrian economy, or to set up customs barriers between the two States. In the long run the second course would be disastrous to the Lebanon; and extremely inconvenient to Syria; he sincerely hoped that the Lebanese would agree to co-operate.

11. The economic differences outlined above have, during the past nine months, shown a tendency, in Syria at least, to lead to inflame political opinions; and, should Lebanon persist in her course of refusing to co-operate with Syria in protecting the latter's economy, it is not impossible that Syria will raise her claim to the four gazas, a claim which she has been content to neglect as long as economic and political relations have remained friendly—such a claim might find support amongst various Lebanese factions and add fuel to the confessional ill-feeling to which Mr. Houston Boswell's despatch No. 81 of 26th June, 1948, draws attention.

I am copying this despatch to His Majesty's representative at Beirut and to the British Middle East Office.

I have, &c.
C. A. F. DUNDAS.

SYRIAN-LEBANESE ECONOMIC AND FINANCIAL RELATIONS

Mr. Evans to Mr. Bevin. (Received 25th October)

(No. 115 E.)
Sir,

Beirut.
21st October, 1948.

I have the honour to refer to despatch No. 116 of 22nd September addressed to you by His Majesty's Chargé d'Affaires at Damascus on the subject of Syrian financial negotiations with France and the Lebanon.

2. Since the end of August a series of meetings has been held between representatives of the Lebanese and Syrian Governments in order to find a basis for an agreement to cover the future economic and financial relations between the two countries. In the course of the discussions three main problems have emerged; a satisfactory solution can reasonably be expected to be found for one of these, but the remainder have only served to throw into relief the difficulties which confront the countries in their efforts to reach understanding.

3. The first of the Lebanese objectives was to reach agreement with Syria regarding the purchase of wheat in sufficient quantities to supply the country until the harvest of 1949. Even with an exceptionally good harvest the Lebanon is not self-supporting in cereals and has to purchase the balance of its requirements from abroad. This year the Lebanese Government have asked the Syrians to supply 30,000 tons of wheat, and as this quantity falls well within the Syrian exportable surplus negotiations were opened for a purchase agreement. Difficulties were soon encountered as the price demanded by the Syrians compared unfavourably with the landed cost of Australian or Canadian wheat. The price difficulty would not unduly have worried the Lebanese had they been allowed to pay in Syrian currency, but Syrian demands were originally for payment in hard currencies, which made the offer clearly unacceptable. As a result of the withdrawal of Syrian currency from circulation in the Lebanon last February a sum of approximately £(Syr.) 40 million has been frozen in Lebanese banks pending agreement as to its utilisation, and it was the Lebanese hope that this sum could be used to purchase Syrian wheat. The Syrians, however, declined to accept that this blocked account should be used for wheat payments, but eventually agreed to

payment in Lebanese currency. Syria has need of Lebanese currency in order to pay for her Tripoli oil imports, which have to be purchased from the refinery by the marketing companies in Lebanese currency, and the Syrian inability to pay in this form has already led to serious difficulties between the Syrian Government and the oil distributors (see Damascus telegram to you No. 499 of 23rd September).

4. Although it is generally felt that Lebanese wheat requirements will be met largely by imports from Syria no definite arrangement has been made, and in order to strengthen their bargaining position the Lebanese have drawn attention to their present satisfactory supply position and to the fact that licences have been granted to private traders to import upwards of 20,000 tons of wheat from Canada.

5. The second main topic of discussion has been the reintroduction of the system (suspended in February last) whereby the Syrian and Lebanese currencies were freely interchangeable. Since the Lebanese acceptance of a financial agreement with France the greater proportion of the Lebanese note issue has been guaranteed by the French Treasury, while the Syrian has not, and with the failure of the Syrian Government to find a backing for the note issue, the value of the Syrian pound has declined to a point where it was being quoted at a discount of 5–6 per cent. on the Beirut market. In addition to the obvious disadvantages which this entails from the Syrian point of view, it has also had a disturbing effect on the Lebanese economy. Syrian merchants, apprehensive as to the future of the Syrian pound, have been buying gold and foreign exchange as well as substantial quantities of merchandise on the local market up to an extent where prices have been gradually forced up.

6. However desirable it may be to reinstitute the two currencies on their old basis of interchangeability (and this is generally agreed), there would appear to be little prospect of an arrangement for stabilisation of the Syrian pound with the Lebanese until the Syrians find some adequate backing for their currency. In this connexion there is now a strongly held local belief that discussions are in progress

between the Syrian and French Governments for some form of monetary agreement: the recent meetings held in Geneva between Hassan Jebara and Busson, director-general of the Banque de Syrie et du Liban, and the subsequent arrival of Busson here have lent some support to this view. It is not within the province of this despatch to speculate on the possible Syrian attitude in such discussions, but merely to record the local belief (and hope) that the Syrians will be forced to conclude some face-saving agreement with the French which may include some temporary support of the Syrian currency. I would add, however, that on 17th October the Lebanese Minister for Foreign Affairs informed me that the Syrian Government had definitely decided to sign.

7. The problem which has aroused keenest local interest and which has tended to overshadow the currency problem (from which it cannot easily be separated) is the proposal to restrict the hitherto free import of goods into the two countries. Religious and political influences, never far from the surface, have tended to obscure the issue: nevertheless the differences of opinion on this question are not without interest as revealing divisions which run through Lebanese society. It cannot be denied that since the war the two countries have been maintaining imports on a scale far above their limited export capacity, and that, despite the vast but largely improved invisible earnings of the Lebanese, there has been a serious drain on the inhabitants' substantial foreign exchange resources. The Syrian Government, now realising too late that the sums expended on luxuries and consumer goods might better have been employed in the purchase of capital equipment for the development of the country and in the creation of some reserve with which to back a note issue, have decided that imports must henceforth be limited to necessities and related to the countries' exporting capacity.

8. The Lebanese, on the other hand, are divided in their attitude to the question. The influential Christian merchants contend that the Lebanon can live only by its large and well-organised entrepôt trade and that such a trade is only possible because the Lebanon is one of the few remaining countries where almost any form of article can be freely imported and sold. Furthermore, although much of the trade is in luxuries and non-essentials it is by the handling of these goods that they (and in

their view the Lebanon as a whole) can exist. Any restriction on imports would, therefore, mean financial ruin for a number of importers. They also point out that the standards of life in the Lebanon and Syria are not comparable, and what is regarded as a luxury by many Syrians is a necessity to many of the westernised Lebanese, who do not see why they should be compelled to give up their way of life to satisfy Syrian ideals of austerity. They argue that the ease and luxury of life here is one of its main attractions for foreigners and for tourists. While this is partly true, it is also true that the Lebanese themselves like their luxuries and find the selling of them a profitable business. The leading merchants, both as individuals and through their business organisations, have maintained steady pressure on the Government and on the public to resist any attempt to restrict imports even though it leads to a complete break with Syria and the erection of customs barriers between the two countries. They are confident that the Lebanese genius for smuggling would minimise any adverse effect of any attempt by the Syrian Government to exclude Lebanese-handled goods from the Syrian market. Linked also with their theory is the ideal of a small Christian Lebanon free from all restriction and acting as the great entrepôt centre of the Middle East.

9. On the other hand, the Moslems as a whole maintain that nothing must be done to loosen the ties between them and their Syrian neighbours. Pursuing the same policy but for different motives are the numerically small but powerful Lebanese industrialists comprising some of the leading Christians, who hope that a restriction of imports would eliminate foreign competition and who fear that the introduction of a customs barrier by Syria would deprive them of their best market. They therefore argue that the Syrian policy is justified and that the Lebanese should fall into line. They also contend that economic collaboration is of prime necessity to both countries and that no entrepôt centre can survive amid neighbours who are hostile and who are pursuing a policy of controlled economy.

10. The position of the Lebanese Government has so far represented a balance between the two views, and while the Lebanese negotiations have hitherto shown no disposition to accept the Syrian's drastic proposals for limitation of imports, there is a feeling that some concessions must be made under this heading as a price of

obtaining agreement. But when an attempt is made to specify the actual goods, import of which is to be prohibited or restricted, the differences in outlook, taste and needs of the two countries immediately give rise to difficulty. The Lebanese are, moreover, sufficiently realistic in their estimate of their administrative efficiency and genius for evasion to know that one practical effect of restriction will be the creation of a vast smuggling trade between the two countries and in the Lebanon itself.

11. The commercial secretary has been asked unofficially on several occasions what our policy as an exporting country would be to a restriction on imports. As it has not yet been possible to ascertain the precise nature of the commodities threatened he has replied that while His Majesty's Government would regret the introduction of import restriction, we could not, especially in view of our own present policy, oppose non-discriminatory measures which the Lebanese might feel compelled to take to safeguard their economy and their foreign exchange position. Mr. Paterson is also of the opinion that the United Kingdom is not at present the main supplier of frivolous and unnecessary goods to this market, and that these come principally from France and the United States, he

thinks, however, that British exports of textiles and non-commercial vehicles may be affected by the proposed restrictions. Attempts have been made by the "free traders" to elicit statements from members of this legation which would enable them to claim that His Majesty's Government is on their side, but a purely neutral attitude has been adopted.

12. At the moment, therefore, there is no sign of agreement despite the numerous announcements that drafts were ready for signature, and each week brings a further intensification of the press campaign for and against the Syrian thesis, while the confusion of the present and the uncertainty of the future in commercial circles are causing the timid to hold back and the bold to launch out in speculation and in the purchase of any commodities which threaten to become scarce. This abnormal and unsatisfactory state of affairs will continue until the shape of the ultimate future arrangement becomes clearer.

I am sending copies of this despatch to His Majesty's Minister at Damascus and to the head of the British Middle East Office.

I have, &c.
T. E. EVANS.